

**COUNCIL WORK MINUTES**  
**JANUARY 7, 2015**

The City Council held a meeting on Wednesday, January 7, 2015, at 5:30 p.m., in the Council Chambers, 10 North Main Street, Cedar City, Utah.

**MEMBERS PRESENT:** Mayor Maile Wilson; Councilmembers: Ron Adams; John Black; Paul Cozzens; Don Marchant; Fred Rowley.

**STAFF PRESENT:** City Manager Rick Holman; City Attorney Paul Bittmenn; City Engineer Kit Wareham; City Recorder, Renon Savage; Finance Director Jason Norris; Police Chief Robert D. Allinson; Fire Chief Mike Phillips; Leisure Services Director Dan Rodgeron; Parks Superintendent Austin Bingham; Public Works Director Ryan Marshall; Fire Engineer Travis Douglas; Treasurer Wendy Bonzo.

**OTHERS PRESENT:** Tom Jett, Melodie Jett, Jessie Jones, Kerry Fain, Chad Fain Deruece Allred, Jerry Allred, Wilson Jimenez, Jeff Lowe, Jyl Shuler, John R. Westwood, Niels Christensen, James Kofford, Neil Nonohuk, Michael James, Dan Laguna, Sean Reid, Aaron Quinkan, Brooks Benson, Richard Cannon, Hilary Beck, Rick Beck, Derek Shirley, Brandon Franta, Tyler Jensen, Jacob Miner, Scott Carlile, Greg Orloski, Mike Tong, Barbara Cooper, James Wood, Brett Greenhalgh, Parker Robinson, LaNor Warby, Jon Savage, Paul Irons, Terry Irons, Christy Douglas, Travis Douglas, David E. Bentley, Rozel Donnelly, Holly Coombs, Michael Kenfield, Michelle Kenfield, Finn Kofoed, Thieda Wellman, Kari Jimenez, Danice Bulloch.

**CALL TO ORDER:** Councilmember Marchant gave the opening prayer; the pledge of allegiance was led by Councilmember Black.

**AGENDA ORDER APPROVAL:** Councilmember Rowley moved to approve the agenda order; second by Councilmember Black; vote unanimous.

**ADMINISTRATION AGENDA – MAYOR AND COUNCIL BUSINESS; STAFF COMMENTS:** ■ Finn Kofoed and Theida Wellman of the Utah Municipal Clerks Association presented Renon with her Master Municipal Clerk Certification. ■ Cozzens – I have concerns about the amount of panhandling in the community over the holiday season. Chief – they have protection, as long as they are not interfering with traffic. This been litigated and they have protection. Paul – SLC has tried to litigate and get knocked down every time. ■ Marchant – snow removal, the State has charge of Main Street; a year ago we talked about access to our businesses, making it difficult to get over the snow into the businesses. We hired a private contractor to come in last year and remove that snow, it was a big help and we had compliments. After the last snow we had quite an accumulation in front of the businesses, is there a way to work with the downtown (DT) people and provide that service on a consistent basis without threat to life or them. Rick – we talked about asking the businesses if they want to pay to have that done, we could do it through the DT Parking Authority, we can find out through that association. ■ Mayor – I was asked to give a brief report on the Iron County Coordinating

Committee ambulance discussion. At the end of the meeting, the Commissioners presented 3 options to the Mayors, either go private, ask for municipalities to take the ambulance service, and/or to create an ambulance oversight board and have the cities pay the deficit. The mayors voted to not go private, keep it and have a board with more oversight with the ambulance, the board is not decided other than I was made chair. They want to know if the cities would help financially, and the Mayors said we cannot bind the cities and decisions can't be made before budget. There is a board to look at rolls. Rick and I will meet with Sheriff Gower to hear his cost saving measures and get into the nuts and bolts to see what can be done. The consensus is to not go private but look at how costs can be cut and remain a service we would like. Cozzens – if it goes private does it involve our Fire Department? Mayor – we have been trying to get an answer, but we have not got a clear answer. The County has information that we don't have. Rowley – they had three private offers, but one pulled out so they are down to two. Black – how was the Mayors position received by the Commission? Mayor – it is a suggestion and is not binding, but we are meeting again in a month. ■Swear-in Mike Phillips as new Fire Chief: Renon Savage administered to Oath of Office to Mike Phillips. Mike – I thank you for the opportunity to move up into the leadership position and the support from the Staff, Council and the Firemen. ■ Dan Rodgerson – the past two years the Lion's has done a great job running the concessions at Cross Hollows, they decided it is too much to handle, they made \$9,000 the first year and \$10,000 the next year without paying wages. This is an excellent opportunity for organizational groups. It is quite a commitment through the year. We sent an RFP to different businesses, but it's a good opportunity for non-profit. Rowley – have you looked at the sound system? Dan – yes, the rodeo sound systems come self-contained, they bring them with them. We funded an up graded sound system, plus Larry got additional funds for additional speakers. Rowley – the tractor pull and draft horses was our system and it was cutting out.

**PUBLIC COMMENTS:** ■John Westwood – report to you that I was asked and have been working with Paul Bittmenn for legislation to allow the annexation where it would create an island if the County and the City agree. If they agree and it is in their best interest an island can be created by annexation. Rowley – we appreciate that. John – it is HB 42, I received word that there is no fiscal impact so that is a good thing. I appreciate your help and Paul's input. I am starting to get a lot of email from the Wasatch front because the cities up there will not talk with their county. Thank you for all your service. ■Jacob Miner, Wal-Mart – I want to comment about the panhandling, it is against our policy but it was hard to keep up with. We do ask them to leave. We also own the property where USA Gasoline is located, if someone sees it they can come to the Wal-Mart managers and we will handle that. ■Kerry Fein, YETI – I want to report how things are going; attendance is on par from last year. The three home games we had rent 26 hotel rooms, they are excited with what we have down here. KSL did a story this week. Rowley – I haven't been there since the Christmas time, is the viewing area ready? Kerry – the lake area is fenced, and the steps and hand rails are in for the containers, but there is not heating yet. People are viewing from the lake area. Cozzens – has the parking along the road been better? Kerry – yes. Cozzens – what about the fencing from the lake? Kerry – we wired them in, but the City people need access. Cozzens – what if there was one joint and then secure the rest. Kerry – I think that is how we left it.

**CONSIDER CHANGES TO CHAPTER 35 (TRAFFIC AND TRAVEL ON STREETS) OF THE CITY ORDINANCES: (A) ELIMINATE THE SPEED ZONE WITH A MAXIMUM 50 MPH ON HIGHWAY 91 FROM 1400 SOUTH TO 2900 WEST (DUPLICATE SPEED DESIGNATION); (B) ADD A NEW SPEED ZONE WITH A MAXIMUM SPEED OF 45 MPH ON SCENIC DRIVE/PROVIDENCE CENTER DRIVE FROM 1600 SOUTH TO 2400 SOUTH – KIT WAREHAM:**

Kit – the original was to establish a new speed zone, but in looking at the ordinance we have duplicate speed zones from 40 mph past the motels and then 50 mph and a 50 mph running parallel, we are proposing to eliminate the 50 mph speed zone. The second is to establish a speed zone from the end of the speed zone to 2400 south. We did a speed study, the 85% on the study showed 60 mph, but there were some excessive speeds later at night that skewed the study, the more reasonable and prudent is 45 mph. Rowley – how did we get two speed zones? Kit – we created a new zone but did not eliminate the other. Action

**CONSIDER AIRPORT FEE SCHEDULE – RYAN MARSHALL:** Ryan – we have a few items for the airport, the first is a fee rate adjustment. About 1-2 years ago we had a flight school move into the Airport, there was no fee structure associated with that. We tried to figure out a structure to cover the expenses of increased maintenance. We had no historical data. We set a baseline of \$1,750 for a flat rate and that was discussed with the flight school. We had a landing fee in place that did not work out so we went to a flat rate. We now have more data on the impact; they had 5-10 helicopters when they started, now there are 25-30 helicopters that are operating as well as several fixed wing aircraft.

We looked at the expenses with managing the Airport, the maintenance on the lighting and runway and the increased traffic. We looked at the rate structure, we have been working with the flight school operator and getting suggestions, the first thing we want to propose is the increase to a fuel flow, it was a fixed rate for fixed wing, they suggested fuel flowage, it is easier to track the aircraft and collect the fee rather than landing. That is the first change, \$0.10 for the airport flowage rate. That will be for anyone that fuels at the airport. The second fee is the fixed rate monthly rate, now that we have data we see increased maintenance for the use of the helicopters, we have a number associated with that. It is increased to \$5,000. We took this to the Airport Board, and it was voted 4 to 3 to implement this. We are asking to look at the rate change because of the cost and expenses to operate the Airport. Mayor – it is going from \$1,750 to \$5,000. There is clean-up, safety inspections and lighting maintenance and utility costs and overall management. Cozzens – all the fees can be documented. Ryan – yes. Rowley – do you see any potential for people to fly somewhere else to fuel and then land here? Ryan – we hear other traffic is going to other airports to fuel because of the increased traffic at our Airport. Black – do you have documentation? Ryan – I don't have that. The FBO tracks the fuel; they say they will look at it.

Mayor – I was contacted by Commissioner Brinkerhoff, he was not at the Airport Board when they voted, and he said he would have voted against that, he wanted that to be known. Rowley – do you have any feel for whether or not the rates will jeopardize the

entire program? Rowley – what would this do to you, are you uncomfortable with this? Sean Reid, President, Upper Limit Aviation - It is a huge point of contention, we get you can afford this and pay the fees. Some of the fees were time the Mayor and Manager were working with us, we don't feel we should pay for that as a new business. We operate in multiple states and airports, this is the only airport we pay a landing fee. If we would have had that in the beginning we would not be in business. We can afford the fee, but it is the principal. The fuel flowage did not meet requirements so they adjusted the fee to \$10 across the board, it used to pay the same as the FBO. I buy fuel from FBO, if there is an aircraft that passes by it is small to what we pay to the FBO business. We had a slow fire season, we supported her all summer. Rowley – you are running more than 25? Sean – we are running about 35, SUU is a great partner, being in Cedar City has its own challenges. I have to have skilled labor for mechanics, they make \$75,000 a year and we brought that to the City, the fee rubs us the wrong way. Let's figure out all the aircraft and the total gallons and then charge the same for everyone. I am a commercial and helicopter pilot so I know jets blow as much debris as the rotor's. Let's take every operator and see how much fuel they are burning and then figure the fuel flow and charge to everyone. The way the airport rules are you have to charge the operator, that is SUU, but I am paying that, I lease them to SUU. Rowley – when I first came on you were going to build a facility out west? Sean – we ran into some roadblocks. The program has been very successful and we are trying to accommodate, we want to get as far away from the City as possible, I know they are noisy, but we do a lot of good things. I have had a hard time buying a large piece of property. Rowley – then you fuel out there and you only use the airport once and a while? Shawn – yes and the Airport loses all the money. We also have a fixed wing program, they said they don't charge the FBO landing fees for the FBO's and we said we will be an FBO and they changed the rules.

Ryan – he said the Mayors time was included in the time that is not true, we did not include that into the fee, it is strictly the maintenance at the Airport. Second Sean mentioned the fees at the Airport, all airports charge fees, they come in all different flavors and costs, and they are all different. We put the fee in to run our airport; you will find different fees at every airport. It is not specifically for them, we have not had a flight school, and we are trying to cover fees that come along with that. The fuel flowage, they did not have fixed wing originally, when they brought it we put that fee in, we listened to their concerns and investigated ways to cover that. That is how we got the \$.10 fuel flowage, we listened to that concern. Also he said this is a tax on Upper Limits, that is not so, it is being put in place now we know what a flight school does. With the increased flight we need to cover the expenses. Rowley – the Airport right now if we don't do something we are running at a deficit and we have to cover the costs. Ryan – yes and it is to help cover costs with the FAA. Sean – the wording they used is specific to helicopter flight school, there are other fixed wing flight schools on the Airport that are not being charged. Ryan – we took the fixed wing landing fee out of Upper Limits as well. Sean – a lot of the things are the same. We buy the most fuel; we know we will pay the most. Ryan – anyone that lands will pay the fee if they fuel. Spread it out among everyone. We had an idea with our expenses, no one has brought more flights in, the only common denominator is the increase from the flight school. I don't think everyone should be penalized by the increase because of the school. Black – are there any changes

from the FAA? Ryan – no, but we are cleaning more small debris. Black – we have always had a jet wash? Ryan – yes, but we now have more debris. Rowley – did Russ say we increased the charge to helicopters because they gouge the asphalt? Ryan – they are having to stripe more often. Rowley – how come general aviation does not pay anything? Ryan – everyone pays a fuel fee. Rowley – do you Mayor feel the fee is justified? Mayor – we asked Russ and from before the school to now is what Russ documented, we relied on him to get us figures so we could review when we had more data. Rowley – does the fees seem reasonable? Mayor – we asked the same type of questions and those were the figures he came up with and we talked about them with meetings with everyone, the City and Upper Limits. Black – picking up on the language on the agreements, we should meet with Marvin Dodds at the University and see if they would pay them. Ryan – we were looking at spreading the fees, and they said “no we will not subsidize”. Black – but is the operator SUU? Ryan – this is the first I have heard that. Paul – that is private contract between SUU and Upper Limits. Rowley – is there a representative from SUU on the board? Ryan – yes, Ken Beazer. Cozzens – I think that is an issue between SUU and Upper Limits. Sean – the fuel surcharge, if it was enough to cover the fees, the fuel costs have gone up, fuel sales have gone up. We buy about 300,000 gallons a year. The more I use the Airport the more money goes into the Airport. If my business slows down the fuel will drop also. Rowley – you say everything through the fuel charge? Sean – yes, that is a better indicator. If you have someone with two helicopters start a business the fees would crush them. Ryan – SkyWest and the BLM fuel here also, and the surcharge is for everyone.

Scott Jolley, Chamber Director and Airport Board Member – as the Chamber is concerned it is our job to represent businesses; we are setting a precedent to taxation on business before we have true costs. I have read the FAA grant assurances and I believe there is some economic discrimination in the \$5,000. There is the fuel flowage and rot copter charge also. That is a double taxation on a flight school. Our challenge is for you not to implement a charge. Black – if the flow fee went up and we lost the tanker base and got into trouble with SkyWest what would you do? Scott - You have Upper Limits, SkyWest, Leavitt Group. We have hobby users that stop in St. George and Beaver to buy fuel. Brenda sets her price and she determines what she sells. We cannot preclude Upper Limits from pumping their own fuel. A fuel flowage is the best fee. I would suggest that you commission an independent study to determine what the true costs are. If you assess a fee into \$15,000 a month you should not impose and add on every time they own a bird. Driving them to the County does not make sense, it is a commercial airport paid for by tax payers. I am asking to strike that from the fee schedule. We are asking you to not charge more because they have more helicopters. A study should be done to justify costs. Rowley – to recoup the \$5,000 landing fee with fuel flowage fee should be \$0.11.6 per gallon. Paul – if you are going to use that to make your decision, we need better data for fuels. Sean – we have looked at a lot of different things to help get aircraft into Cedar City to bring the fuel charges down. We feel the \$5,000 a month is not fair. Brenda sells fuel to SkyWest and the Tanker Base so it is a tug of war. Paul – the 300,000 is a ballpark? Sean – yes, I can project out the amount of hours and give you the average fuel and give you a more accurate fuel going forward. Mayor – could you do both, what you have done and what you project? Shawn – yes if it will help get a good number. Action.

Rowley – I was off on the .116 cents, it would be much more. The economic benefit to the City would be helpful as well. Scott Jolley will provide this information.

**CONSIDER AIRPORT CONSULTANT ENGINEER – RYAN MARSHALL:** Ryan – currently we have Creamer & Noble for the construction projects, FAA has given us direction to go out for proposal Armstrong, Aviation and GDA, a panel went through them and it was very clear that GDA was the best candidate for that project, we would like to get it approved so we can move forward. Marchant – I was part of the review board and GDA was obvious that they have their ducks lined up. Ryan – It was clear from their proposal they know our challenges. Black – will this contract be in addition to the current contract with Creamer and Noble? Ryan – yes for construction and GDA will be for development. Paul – this is not typical, we have to follow FAA standard on the agreements. Consent.

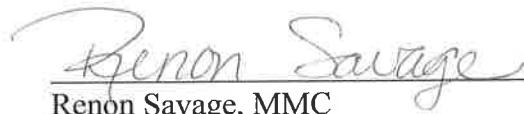
**CONSIDER THE APPOINTMENT OF JAROM HLEBASKO AS A MEMBER OF THE CEDAR DISABILITY AWARENESS/ACTION TEAM – MAYOR WILSON:** Mayor Wilson – he is an individual that wanted to be involved with the City when we sent them out in the newsletter. He also came to strategic planning meeting. Consent.

**CONSIDER PAYMENT OF INVOICE FOR CONCRETE WORK AT THE AQUATIC CENTER – DAN RODGERSON:** Dan – 2013-14 YETI applied for RAP Tax, \$93,000 which was vague to build an ice rink. Last August we looked at options to spend the funds, we agreed to put in a sidewalk. We asked for Kit's departments help and designed and engineered a sidewalk and the plan was to use the City's blanket contract to do the concrete work. There was twice as much concrete as we had funds for. I wanted to "Y" out the sidewalk, but we cut it back because of the funds remaining. Austin's crew prepped the site and we met with Curt, City Surveyor to get it ready. We met with our people and Gleave Concrete. Gleave had several projects going on and the end of October we got notification that he would not be able to do the project. I got an email from Kerry Fein saying that Gleave would not be able to get it done because of other City projects. I gave Kerry the contact information for her to talk with them. When we receive the notification we would have had to go with another contractor. There were concerns with the weather I thought the project was stalled. I received notification from Kerry and she asked for construction plans and they found a contractor willing to do the work. The contractor that did the work was Schmidt. Black – who authorized Schmidt to do the work? Dan – I don't know. We had not received any quotes or bids so we did not run it through our office. The funds are there from YETI. Cozzens – I am confused, I am getting conflicting stories. Gleave said he would not turn down the work. Dan – I received the written email from Klyn. Kerry – the email was after we spoke with Dallin Staheli, he had tried to get a hold of Klyn Gleave, he spoke with Dan and so he told Dallin to talk with local contractors. I asked Dan for the quotes and specs so that we could move forward that is where we got it, Dan said Gleave would not be able to get it done. I got a call from Klyn Gleave after it was done and he ran me up one side and down the other, he said he would not turn down the work. Cozzens – at that point you had Schmidt do the work and when did you get the invoice. Kerry – yes I left it the next

day after they did the work, I left it at the front desk. I didn't know it had not been paid until our volunteer that works for Schmidt asked me why it had not been paid. Cozzens – why did a month go by? Dan – we didn't contract to do the work. Cozzens – I didn't receive the bill until December 18<sup>th</sup>. Kerry – that was the second copy and I gave it to Dan. Dan – we cannot pay an invoice for work I didn't contract to do. I had an email that Dan Dailey would do the work. Cozzens – did you tell Dallin Staheli to find a contractor? Cozzens – Dallin told me that you told him to get a contractor. Dan – that is not true, I go by the written correspondence, I think this is a he said/she said. We did not contract anyone to do the job. If YETI did I assumed that they would pay the bill. Cozzens – if it is RAP Tax money why is it not paid. Dan – we have to get written quotes and we did not. Paul – the RAP Tax was to the City not YETI, it was for infrastructure that supports YETI, they can't spend the money. Kerry – I was led to believe that it would be paid. Another bid we got from D&D Electric for the air curtain was \$2,000 less than Barney and he said we could use whatever contractor we wanted. I didn't know the infrastructure on how it should go instead of going through Dan. Cozzens – the bill for the air curtain has not been paid either? Dan – no. I didn't buy the air curtain or contract for it to get installed. The contracts need to be paid by whoever did the work and then get reimbursed by the City. If they are coordinated through our office I can pay them, but I don't pay bills when I don't know who the contractor was. Kerry – I told you the air curtain had been purchased and you said to let you know. Paul – YETI is a private recreational entity and RAP Tax is for public stuff in support of the YETI lease, all for the public end, not private end. When they bought the chillers, that was private stuff, that is the problem with us paying YETI. Cozzens – that is not what they are asking. Kerry – it is not just out of the blue items. Cozzens – we discussed all of this, these are things we knew were going to be paid by RAP Tax money. Why can't we pay them? Rick – we can, but we need to know the funding source. My reason was to make sure we are ok with using both funding year sources to pay the bills. Rowley – will we vote and wait two weeks. Rick – we will process both invoices to be paid after voted on next week. Rowley – this is embarrassing to the City. Mayor – we talked with Phil Schmidt today. Consent.

Kerry – we were told there was just over \$15,000 and then it was brought to our attention that there is only \$14,000 that is why they wanted to use this year and last year's RAP tax to cover the bills.

**ADJOURN:** Councilmember Cozzens moved to adjourn at 7:12 p.m.; second by Councilmember Marchant; vote unanimous.

  
Renon Savage, MMC  
City Recorder

